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The Aluminum Situation

DEPARTMENT OF ECONOMICS AND STATISTICS **MARCH 1989**

JANUARY SHIPMENTS DECREASE 2.4%

Total industry net shipments for January 1989, reported at 1,189 million pounds, were down 2.4 percent from the January 1988 total of 1,219 million pounds.

Domestic shipments of 1,039 million pounds were down 7.4 percent from the January 1988 total of 1,121 million pounds.

Exports of ingot and mill products of 151 million pounds were up 53.7 percent from January 1988. Imports increased 3.2 percent for the same period.

JANUARY 1989

	1989 Jan.	1988 Jan.	% Change
Mill Products	1,055	997	5.8
Ingot	134	222	-39.6
Total	1,189	1,219	-2.4
Less Exports	151	98	53.7
Domestic Total	1,039	1,121	-7.4

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

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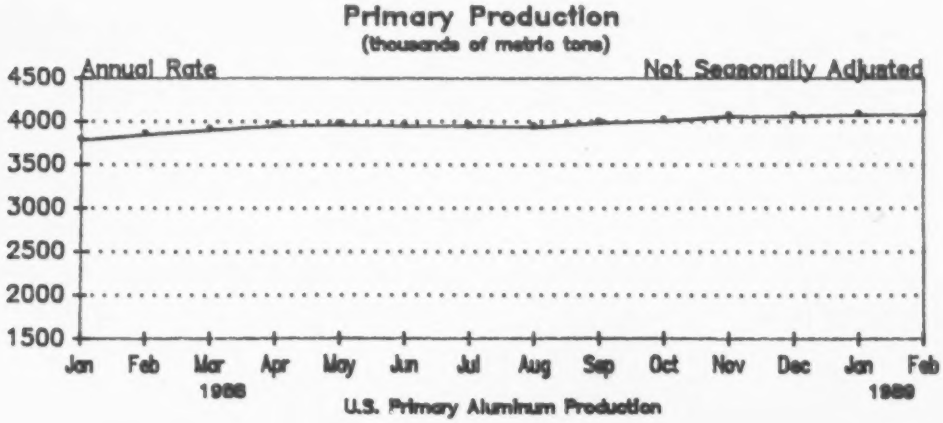
PRIMARY PRODUCTION DAILY RATE AVERAGES 11,149 METRIC TONS

Primary aluminum production averaged 11,149 metric tons daily during February 1989. This compares with an average of 10,505 metric tons a day in February 1988 and 11,163 metric tons a day in January 1989. The annual rate of production in February 1989 was 4,069,307 metric tons compared with 3,844,981 metric tons in February 1988 and 4,074,636 metric tons in January 1989. Actual production in February 1989 was 312,166 metric tons.



This report is contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

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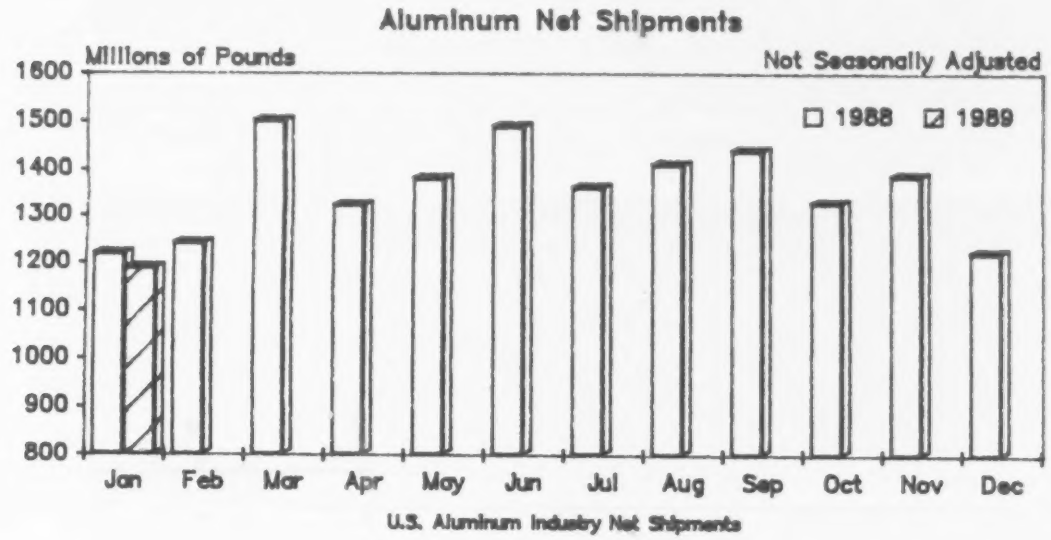
INDUSTRY NET SHIPMENTS DECREASE 2.4 PERCENT

Total industry net shipments for January 1989, estimated at 1,189 million pounds, were down 2.4 percent from a January 1988 total of 1,219 million pounds. Domestic shipments of 1,039 million pounds were down 7.4 percent from the January 1988 total of 1,121 million pounds.



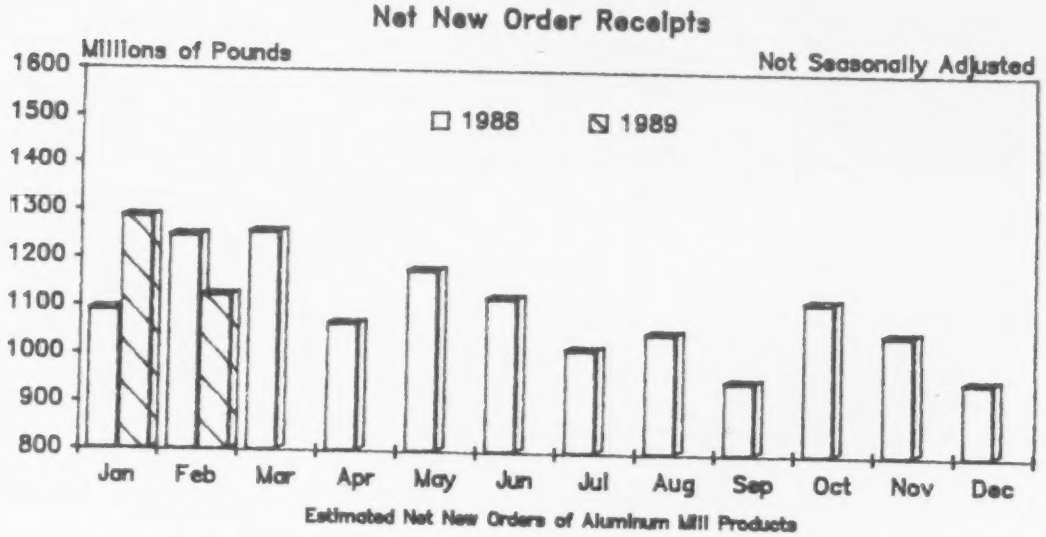
U.S. Aluminum Industry Net Shipments

NET SHIPMENTS (Millions of Pounds)	1989* January	1988 January	1989 1 Mo.	1988 1 Mo.	% Change 1989 vs 1988
Sheet	542.8	514.0	542.8	514.0	5.6
Plate	25.8	22.6	25.8	22.6	14.0
Foil	76.6	71.4	76.6	71.4	7.3
Rod,Bar & Wire	26.6	34.2	26.6	34.2	-22.4
Elec. Conductor	58.6	48.7	58.6	48.7	20.3
Extruded Shapes,Tube	214.3	208.1	214.3	208.1	3.0
Powder & Paste	6.8	5.9	6.8	5.9	15.1
Forgings & Impacts	13.3	13.8	13.3	13.8	-4.2
Net Imports of Mill Products (Total) (a)	90.5	78.4	90.5	78.4	15.5
Total Mill Products	1,055.3	997.3	1,055.3	997.3	5.8
Ingot	134.1	221.9	134.1	221.9	-39.6
TOTAL INDUSTRY SHIPMENTS	1,189.5	1,219.2	1,189.5	1,219.2	-2.4
Exports	150.8	98.1	150.8	98.1	53.7
TOTAL DOMESTIC SHIPMENTS	1,038.7	1,121.1	1,038.7	1,121.1	-7.4

Source: Bureau of the Census, U.S. Department of Commerce
(a) Not included in product data above.
(*) Estimated by the Aluminum Association

NET NEW ORDER RECEIPTS INCREASE 3.0 PERCENT

Estimated net new order receipts of aluminum mill products for the first two months of 1989, totaling 2,411 million pounds, increased 3.0 percent from a two month 1988 total of 2,341 million pounds. February order receipts of 1,124 million pounds declined 12.7 percent from January 1989 orders of 1,287 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1989 February	1988 February	1989 2 Mos.	1988 2 Mos.	% Change 1989 vs 1988
Sheet & Plate, Other	416.5	429.5	841.0	807.7	4.1
Can Stock (a)	313.1	376.0	734.2	727.3	0.9
Foil	75.5	106.7	173.4	186.7	-7.1
Bar, Rod & Wire	45.4	29.7	75.7	83.2	-9.0
Electrical Conductor	76.6	79.1	160.8	130.4	23.3
Extruded Shapes & Tube	175.3	206.6	381.2	369.6	3.1
Powder & Paste	7.1	9.7	16.7	15.4	8.4
Forgings & Impacts	14.0	10.8	27.5	20.3	35.5
Total Mill Products	1,123.5	1,248.1	2,410.5	2,340.6	3.0

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES INCREASE EIGHT MILLION POUNDS

Producer inventories increased in January 1989 to an estimated total of 4,207 million pounds. This represents an 8 million pound increase from the revised December 1988 level of 4,199 million pounds.

Month-End Aluminum Producer Inventories
By Type of Producer
(Figures in Millions of Pounds)

	Total	Ingot	Scrap	All Other
November	4,160	1,429	666	2,064
December	4,199r	1,410r	663r	2,126r
January *	4,207	1,462	557	2,188

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Estimated by the Aluminum Association

CUSTOMER INVENTORIES REPORTED AT 34.8 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of January 31, 1989 was 34.8, down 2.0 percent from inventories reported at the end of December 1988.

Month-End Aluminum Consumer Inventories
(Average Number of Days)

November	35.5
December	35.5
January	34.8

Source: Aluminum Association - Customer Inventory Position Survey

U.S. IMPORTS & EXPORTS (Millions of Pounds)		1989* January	1988 January	1989* 1 Mo.	1988 1 Mo.	% Change 1989 vs 1988
Imports	Mill Products	92.9	79.6	92.9	79.6	16.7
	Ingot	219.3	222.8	219.3	222.8	-1.6
	Total	312.2	302.4	312.2	302.4	3.2
	Scrap (+ dross)	22.7	32.4	22.7	32.4	-29.9
	Grand Total	334.9	334.8	334.9	334.8	0.0
Exports	Mill Products	73.6	57.4	73.6	57.4	28.2
	Ingot	77.2	40.7	77.2	40.7	89.7
	Total	150.8	98.1	150.8	98.1	53.7
	Scrap	54.9	49.0	54.9	49.0	12.0
	Grand Total	205.7	147.1	205.7	147.1	39.8
Net Imports		129.2	187.6	129.2	187.6	-31.2

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989